Montana Board of Oil and Gas Conservation
Environmental Assessment

Operator: Summit Resources, Inc.
Well Name/Number: Rabbit Hills No. 9-14
Location: NW SE Section 14T34N R19E
County: Blaine, **MT; Field (or Wildcat)** Wildcat

Air Quality

(possible concerns)
Long drilling time no,12 to 14 days drilling time
Unusually deep drilling (high horsepower rig) no, 4224 MD 4176 VD
Possible H2S gas production yes
n/near Class I air quality area no
Air quality permit for flaring/venting (if productive) yes, DEQ air quality permit, if productive for oil with associated gas and no gas gathering available.

Mitigation:
__ Air quality permit (AQB review)
_ Gas plants/pipelines available for sour gas
__ Special equipment/procedures requirements
__ Other:
Comments: no special concerns – using small rig to drill to 4224'MD 4176' TVD

Water Quality

(possible concerns)
Salt/oil based mud no, freshwater mud on surface hole. Freshwater mud system after 300' to TD.
High water table No
Surface drainage leads to live water No, closest drainage is Coyote Coulee 3/8 of a mile to the north and Dry Fork which is ¼ mile to the west. Dry Fork does have a reservoir with live water in it about 1 mile to the south.
Water well contamination None, closest water well is ¾ of a mile to the northwest and is a cased Sawtooth water well, perforated.
Porous/permeable soils no, bentonite soils
Class I stream drainage no

Mitigation:
_ Lined reserve pit
_X_ Adequate surface casing
__ Berms/dykes, re-routed drainage
__ Closed mud system
__ Off-site disposal of solids/liquids (in approved facility)
__ Other:
Comments: 300' surface casing cemented to surface adequate to protect freshwater zones. Also, fresh water mud systems to be used. If production is established production casing will be cemented to surface.

Soils/Vegetation/Land Use

(possible concerns)
Steam crossings no, intermittent drainage only.
High erosion potential no, small cut, up to 2.6' and small fill, up to 0.5', required.
Loss of soil productivity no, location will be restored after drilling, if nonproductive. If productive unused portion of drillsite will be reclaimed.
Unusually large wellsite no, 250'X250' location size required.
Damage to improvements slight
Conflict with existing land use/values Slight

Mitigation
__ Avoid improvements (topographic tolerance)
__ Exception location requested
_X_ Stockpile topsoil
__ Stream Crossing Permit (other agency review)
_X_ Reclaim unused part of wellsite if productive
__ Special construction methods to enhance reclamation
__ Other _____

Comments: Access will be over existing county roads, and existing trails. About 0.2 miles of new access will be built into this location. Drill cuttings will be buried on site. Drilling fluids will be allowed to dry in the pits. No special concerns

Health Hazards/Noise

(possible concerns)
Proximity to public facilities/residences No residences within 1 mile of this location.
Possibility of H2S yes
Size of rig/length of drilling time Small drilling rig/short 12 to 14 days drilling time

Mitigation:
_X_ Proper BOP equipment
__ Topographic sound barriers
__ H2S contingency and/or evacuation plan
__ Special equipment/procedures requirements
__ Other:_____

Comments: Working BOP should mitigate any H2S issues. Distance is sufficient to not be a problem with noise. No concerns.

Wildlife/recreation

(possible concerns)
Proximity to sensitive wildlife areas (DFWP identified) n/a None identified.
Proximity to recreation sites Large reservoir used for fishing about 1 mile to the south.
Creation of new access to wildlife habitat no
Conflict with game range/refuge management no
Threatened or endangered Species no

Mitigation:
__ Avoidance (topographic tolerance/exception)
_X_ Other agency review (DFWP, federal agencies, DSL)
__ Screening/fencing of pits, drillsite
__ Other:_____

Comments:

Historical/Cultural/Paleontological

(possible concerns)
Proximity to known sites None identified
Mitigation
__ avoidance (topographic tolerance, location exception)
_X other agency review (SHPO, DSL, federal agencies)
__ Other:
Comments: .

Social/Economic

(possible concerns)
__ Substantial effect on tax base
__ Create demand for new governmental services
__ Population increase or relocation
Comments: no concerns

Remarks or Special Concerns for this site

Well is a 4176' TVD Bowes Formation test

Summary: Evaluation of Impacts and Cumulative effects

No long term impacts expected from the drilling of this well. Some short term surface impacts will occur, but will be mitigated in time.

I conclude that the approval of the subject Notice of Intent to Drill (does/**does not**) constitute a major action of state government significantly affecting the quality of the human environment, and (does/**does not**) require the preparation of an environmental impact statement.

Prepared by (BOGC): Steven Sasaki
(title:) Chief Field Inspector
Date: January 16, 2006

Other Persons Contacted:

(Name and Agency)
Montana Bureau of Mines and Geology, Groundwater Information Center website, Blaine County water wells.
(subject discussed)
January 16, 2006

(date)

If location was inspected before permit approval:
Inspection date: _____
Inspector: _____
Others present during inspection:_____